BEFORE THE

U.S. SENATE COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON PRIVACY, TECHNOLOGY AND THE LAW

HEARING ON

THE LOCATION PRIVACY PROTECTION ACT OF 2014

JUNE 4, 2014

ORAL TESTIMONY OF

LUIGI MASTRIA, CIPP, CISSP

EXECUTIVE DIRECTOR

DIGITAL ADVERTISING ALLIANCE
Chairman Franken, Ranking Member Flake, and Members of the Subcommittee, good
afternoon and thank you for the opportunity to speak at this important hearing.

My name is Lou Mastria. I am Executive Director of the Digital Advertising Alliance
and I am pleased to report to the Committee on how industry has extended it successful online
program to mobile to ensure consumers have access to the same transparency and control in
mobile as they do on desktop. Of particular interest to this committee, our Mobile Principles
require Consent for collection of location data and an easy to use tool to withdraw such consent –
leaving the consumer ultimately in charge.

Last year, the DAA released mobile guidance, providing consumer-friendly privacy
controls in this fast-growing medium. This important self-initiated update to our Principles
reflects the market reality that brands and customers increasingly engage on a variety of screens.

The DAA is a cross-industry non-profit organization founded by the leading advertising
and marketing trade associations --- ANA, 4As, DMA, IAB, AAF, and NAI.

These organizations originally came together in 2008 to develop the Self-Regulatory
Principles to cover the collection and use of web viewing data. In 2012, the Obama
Administration publicly praised the DAA program as a model of success, and FTC
Commissioner Ohlhausen was quoted as calling the DAA “one of the great success stories in this
space.”

The Internet is a tremendous engine of economic growth, supporting the employment of
more than five million Americans. Mobile advertising in the United States totaled $7.1 billion
during FY 2013, a 110% increase from the prior year. Revenue from online and mobile
advertising subsidizes content and services that consumers enjoy. Research shows that
advertisers pay several times more for relevant ads, and as a result, this generates greater revenue
to support free content. Consumers also engage more actively with relevant ads. Simply stated, companies have a vested interest in getting this right.

Self-regulation, like the DAA, is the ideal way to address the interplay of privacy in online and mobile advertising while preserving innovation. It provides industry, as demonstrated by the multiple updates to our program, with a nimble way of responding to new market challenges presented by the still-evolving mobile ecosystem.

The DAA Mobile program applies broadly to the diverse set of actors that work together to deliver relevant advertising. The DAA Principles call for:

- Enhanced notice outside of the privacy policy;
- Consent for location data;
- Strong enforcement mechanisms.

Together, these Principles are intended to increase consumers’ trust and confidence in how information is gathered in mobile by increasing transparency and control.

The Mobile program leverages a successful universal icon to give consumers transparency and control about data collection and use. In April, DAA issued specific guidance on how to provide this transparency tool in mobile environments. This will provide companies and consumers a consistent, reliable user experience in the multiple screens on which they interact. This will also provide companies a consumer-friendly way to provide notice and choice outside of the privacy policy. This advancement builds on the unprecedented level of industry cooperation which has led to the DAA icon being served globally more than one trillion times each month.
In the coming months, the DAA will release a new mobile choice app, which will empower consumers to make choices about data collected through mobile devices, including applications.

Of particular relevance to this hearing, cyberstalking is a serious issue but criminal activity is separate and apart from the legitimate commercial uses of data covered by DAA. I want to note DAA’s stringent requirements for the collection and use of precise location data for commercial purposes. The DAA program requires consent prior to collection and the provision of an easy to use tool to withdraw such consent. We have required privacy-friendly tools including notice in the download process, notice at first install or other similar measures to ensure that companies are transparent in a consistent manner about data collection and that consumers can make informed choices. To help ensure that both the mechanisms we require are used and that consumer choices are honored, we rely on our accountability programs.

Accountability is a key feature of the DAA Program. All of our Principles are backed by the robust enforcement programs administered by the BBB, and by the DMA. There have been more than 3 dozen publicly announced enforcement proceedings under this program.

In summary, I would submit that the DAA is a story of empowering consumers through transparency and control. It has nimbly adapted consumer controls to meet quickly evolving market changes and consumer preferences. And, it has done so while responsibly supporting the investment necessary to fund the free or lower cost products and services desired by consumers.

I am pleased to answer questions that you may have.

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